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**ENERGY TRANSITION  
BOOSTS HYDROGEN**





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## ENERGY TRANSITION BOOSTS HYDROGEN

Giuseppe SANGIOVANNI

Partner, Director Energy & Cleantech, LINKERS

### Energy transition fires up green hydrogen rocket boosters and inflames markets

Public policies and investment plans that increasingly encourage energy transition, notably technological solutions based on green hydrogen, are stimulating markets and financial sectors on both sides of the Atlantic.

Looking ahead to the post-pandemic world, investors are examining the main areas that will support economic recovery, in particular that of energy transition, in which green energy plays a major role of driving force.

In European markets at the end of May 2021, the pure plays in main hydrogen technologies have recorded a spectacular increase in share prices compared to early 2020: McPhy Energy (France) +634 %; ITM Power (UK) +385 %; AFC Energy (UK) +235 %; Everfuel (Denmark) +273 %; Nel ASA (Norway) +105 %.

### A growing demand for green infrastructures

Alternative asset investment funds, in particular for private equity and infrastructures, increasingly raise capital to support energy transition stakeholders in their growth strategies, as well as investment projects resulting from public strategies for energy transition, notably for green hydrogen.

Regarding private equity, Tikehau Capital has just raised more than a billion euros for a private-equity fund devoted to energy transition.

But the lion's share of capital raised in this field goes to infrastructure funds. Novethic has identified 310 energy transition infrastructure funds in Europe having raised €108 bn. Moreover, investor demand for green infrastructure investment is so strong that several private equity stakeholders are considering the opportuneness of embarking on management of this category of assets.

### Major focus on energy transition by the EU and France

A focus of the EU's Green Deal and a cornerstone of the French recovery plan, energy transition for a sustainable and carbon-neutral economy lies at the nexus of policies and action plans aiming to boost the economy and meet climate and environmental challenges.

In the case of the EU, the major goal is to reduce net greenhouse gas (GHG) emissions by at least 55 % compared to 1990 levels by 2030 and to achieve carbon neutrality by 2050.

It should be emphasized that the 2 sectors that contribute mostly to GHGs in Europe, more than 60 % together, are electricity production (35 %) and transport (28 %).

### Green hydrogen reveals its strengths

Green hydrogen is produced by water electrolysis using renewables-generated electricity, and is an entirely decarbonised energy carrier. It differs from high-carbon grey hydrogen and low-carbon blue hydrogen, produced from fossil fuels.

Green hydrogen constitutes a form of energy storage that overcomes the intermittence issues of renewables, thereby furthering their deployment and the subsequent reduction of the sector's GHG emissions. Hydrogen generated by electrolysis can then be used to produce electricity using fuel cells (Power-to-Power), or injected into the gas transport/distribution network (Power-to-Gas).

Furthermore, green hydrogen can also be used to power electric vehicles, in particular heavy-duty vehicles (trucks, buses, trains, etc.) using fuel cells. It presents technical advantages compared to batteries, such as higher energy density, greater autonomy and a shorter charging time.

The attraction of green hydrogen lies precisely in its ability to perform the function of a storable energy carrier that can connect renewable sources of electricity production with the transport sector.

### Public investments in green hydrogen are speeding up

In its step-by-step strategy for hydrogen, the European Commission estimates that cumulative investments in green hydrogen in Europe could reach between €180 and €470 billion by 2050; the goal is to install at least 6 GW of electrolyser capacity by 2024, and 40 GW by 2030 to produce up to 10 million tons of green hydrogen.

The European Investment Bank plays a key role in financing investments, which will further increase when it becomes the EU's climate bank.

France plans a massive increase in investments in green hydrogen, committing €7.2 billion by 2030, including €2 billion during 2021-22 for the recovery plan. The €5.2 billion investment planned for 2023-2030 will be financed through a recurrent budget.

## RECENT TRANSACTIONS


**LOYALTY PROGRAMS  
ON / OFF LINE RETAIL**  
MBI

**AVOMARK** provides tools and services to increase point-of-sale footfall and sales (on line / in store). The business therefore offers an indispensable tool for those of its clients that held up well in 2020.

**Jean-Benoit Collet** (Mines-Telecom Business School, ex-CTO of Tarkett and Chanel) became a stakeholder through an LBO sponsorless. His managerial and IT expertise complements internal experience and strengthens AVOMARK's development of digital technology, demand for which has grown during the pandemic.

**DIDIER BUSQUET**  
ADVISOR TO THE COMPANY


**ONLINE  
ECO-COMPARER**  
ACQUISITION

Founded in 2006 by Xavier Lucas, **EDCOM** is a price comparison website for smart phones and mobile / internet packages. A key operator in finding telecom solutions for private individuals, it has become the foremost French specialist in mobile telephone services with a platform offering the widest choice of packages, smartphones. EDCOM acquires **Lesmobiles.com** that collects all the latest mobile telephone data in the French market to assist private individuals in their choices, and whose expertise is recognised by consumers, manufacturers and operators.

**BENJAMIN LE GUILLOU**  
BUY-SIDE ADVISOR


**PROFESSIONAL  
KITCHEN**  
SALE

Founded in 1959, **SOPRECO** (€7m revenue, 30 employees) designs and installs kitchens, laundrettes, laundry rooms and bars for private and institutional customers. The Marseille-based company, strongly established in the Provence-Alpes-Côte d'Azur region has been sold to **QUIÉTALIS**, which thereby increases its regional presence.

**QUIÉTALIS** (300 employees) is specialized in the installation and maintenance of professional kitchens. Supported by its shareholder **Pléiade Investissement**, the entity now generates nearly €60m in revenue.

**DIDIER BUSQUET**  
SELL-SIDE ADVISOR


**INDUSTRIAL SEAMLESS  
TUBES & FITTINGS**  
SALE

**ALCO** is a specialist in storing and selling conventional industrial piping products, as well as classified products for the nuclear sector.

Pursuant to an international operation requiring prior examination by the Ministry of the Economy and Finance as part of the verification and vetting process for foreign investments in French strategic sectors (FDI), control of **ALCO** passed to the Italian group **CTA**.

**PHILIPPE DELECOURT**  
**GIUSEPPE SANGIOVANNI**  
SELL-SIDE ADVISOR


**DIGITAL SERVICES  
BUSINESS**  
SALE

**SATHYS**, founded in 2005, is a computer service company based in the Lille area offering high value-added services and solutions.

Its 2 founders have divested the business to **CELAD**, a French group with a human dimension that shares the same values.

**CELAD** (1,000 employees, revenue: €99m) is specialized in bespoke IT / electronic solutions. Already established in northern France, **CELAD** will be able to accelerate its development there thanks to **SATHYS'** strong local presence.

**JÉRÔME LUIS**  
**FLORENT COUDRAY**  
SELL-SIDE ADVISOR


**AIRCRAFT  
MANUFACTURER**  
FUNDRAISING

**ELIXIR AIRCRAFT**, the French aircraft manufacturer that designed the first 4th-generation two-seater, has concluded a funding round raising €3m from local institutional funds **Ouest Croissance**, **Océan Participations**, and **Family Offices**.

This operation will enable **ELIXIR AIRCRAFT** to accelerate its industrial and commercial ramp-up and to establish itself permanently in the general aviation market as a cutting-edge business.

**PHILIPPE LAURENT**  
**FLORENT COUDRAY**  
ADVISOR TO THE COMPANY


**INFRASTRUCTURE ASSET  
MANAGEMENT**  
ACQUISITION

**INFRANEO** (Infrastructure engineering, France) acquired German firm **Martin GmbH**, a specialist in protection against pipeline corrosion offering essential expertise to public utilities and industrial and petrochemical companies.

After Belgium and Spain, **INFRANEO** is now gaining a foothold in Germany with this third external growth operation since the arrival of **Sparring Capital** as majority shareholder, and is approaching revenue of €50m.

**DIDIER BUSQUET**  
BUY-SIDE ADVISOR


**SOFTWARE  
PUBLISHER**  
SALE

**APITRAK**, specialized in cloud-based multi-technology (RFID, Wi-Fi, Bluetooth, etc.) localisation solutions for asset tracking, inventory control and personal safety applications, has merged with the listed company **Paragon ID**, European leader in identification solutions (eID), transport and smart cities, traceability and brand protection, and payment. **Paragon ID** is part of the **Paragon Group** (present in more than 20 countries, 9,000 employees, consolidated revenue of over €1bn).

**JÉRÔME LUIS**  
SELL-SIDE ADVISOR

## ENTREPRENEUR'S VIEWPOINT

### Sale of ALCO to the Italian group CTA: Interview with Jean-Max Schneider, CEO of ALCO

Jean-Max, can you tell us about your history with ALCO?

I took over ALCO on 1 January 2012 with the assistance of investment fund Picardie Investissement and ALCO's long-standing banking partners: Caisse d'Épargne and Crédit Agricole, later joined by BNP. ALCO had been a distributor of piping equipment (tubes, stainless steel fittings), mainly for the petrochemical and naval sectors, for 40 years. After my initial anxiety in a sector of which I had absolutely no knowledge, no contacts or points of reference, being thrown in at the deep end forced me to learn fast, to set a course and keep to it through thick and thin, to say the least!

I then developed ALCO in the nuclear sector by becoming an RCCM (nuclear construction code) stockist authorised by EDF and AREVA, and expanded our offering of products and services: sheet metal, carbon steel, custom parts.



Why did you choose the Italian group CTA?

To take things to the next level, it was important in my view to join forces with a major player. This business requires substantial capital since we buy, stock and sell equipment. The more you develop the range and the markets, the more resources it takes.

The union with CTA could satisfy these conditions. An Italian group with global reach, operating in the same fields as ALCO, its considerable available resources and a family ethos like our own meant we had no hesitation in going forward. The frustration of being a small business was removed and replaced by the opportunity to fulfil our ambitions: grow our inventory, expand sales, develop new markets, etc.

What is LINKER's added value?

Our partnership with LINKERS has been fruitful. I feel that we spontaneously established true teamwork with Giuseppe Sangiovanni; he swiftly understood our potential, and was able to explain and demonstrate it. Despite the pandemic, we were able to have meetings and visits, and use all available communication tools right down to the final electronic signature. While we had a positive track record and generated profit, and were authorised and appreciated by leading French industrial groups, LINKERS was able to highlight all this, and above all promote it.

A facilitator during tense phases, attentive and watchful when everything seemed blocked, LINKERS never gave up and always suggested ideas and solutions so that their client, and other parties, were ultimately all highly satisfied at the closing. Thanks to everyone.

## ONGOING MISSIONS

### Buying Mandates \*

Training / Digital learning
Facility management
Industrial cleaning services
Wealth management advisory services
Insurance brokerage
Medical laboratory for PCB
Security
Education - Nurseries

\* LINKERS deals mainly in sell-side opportunities. For reasons of confidentiality no information on these transactions is divulged before they are finalized.

## EXPERT OPINION

**"Apport-cession" \*: a favourable tax system for divesting your company... but the choice of reinvestment must be carefully considered**

Between a sale agreement and the sale itself, an "apport-cession", or capital contribution and subsequent share transfer, represents a very advantageous mechanism.

As a reminder, this system consists of a tax-neutral transfer of shares to a holding company and the subsequent sale by the latter of the shares received as equity.

If you transfer your shares to a holding company in which you have a majority stake, the capital gain realised on this operation is not immediately liable for tax, but benefits from deferment. This deferment expires if the holding company's shares received in exchange are sold within 3 years.

The tax deferment can be maintained if the holding company undertakes to reinvest at least 60% of the sale price in a new business activity. The reinvestment must take place within a certain time-frame and must be conserved for

at least 24 months. You have two years in which to reinvest.

Since the aim is to encourage investment, the company in which you invest must be subject to corporation tax, be incorporated in France (or in an EU member state, or a state having concluded an agreement with France) and exercise a commercial, industrial, artisanal, agricultural, professional or financial activity.

Reinvestment in property is often envisaged. Although managing your own property assets does not fall within the scope of the tax advantage, there is no obstacle to mounting a property-dealing concern, which could be in another EU member state such as Greece, where capital gains on property deals are still as yet tax exempt.

\* Capital contribution and subsequent share transfer.

**Mr Francis BAILLET**  
Attorney at Law, Paris  
Baillet Duliou Associés





## LINKERS' INTERNATIONAL NETWORK



### Europe:

Belgium | Bulgaria | Croatia | Denmark  
Finland | France | Germany | Great-Britain  
Hungary | Ireland | Italy | Lithuania | Netherlands  
Norway | Poland | Portugal | Spain | Sweden

### Africa:

Algeria | Tunisia

### Americas:

Argentina | Brazil | Canada | Ecuador | USA

### Asia:

China | Hong Kong | India | Japan | Malaysia  
Singapore | Thailand | Turkey | Vietnam

### Oceania:

Australia

## A FRANCO-GERMAN DEAL WITHIN THE NETWORK



Resulting from a collaboration within the M&A Worldwide network, the acquisition of the German firm MARTIN GmbH (protection systems against corrosion for pipelines, Hattingen) by INFRANEO (infrastructure asset management) arose from discussions between Didier Busquet, LINKERS partner and Arnaud Leclercq, Managing Partner of Sparring Capital, INFRANEO's majority shareholder. The operation was possible due to the front-line experience and responsiveness of the M&A Worldwide network. LINKERS asked its German partner to assist in identifying relevant targets for INFRANEO in a business sector that Kai-Henrik Barth, partner of ACTIVE M&A, is highly familiar with. A target was identified, MARTIN GmbH, which was already at an advanced stage of the divestment process with a local counterpart considered to have made the best offer with regard to safeguarding jobs.

INFRANEO charged LINKERS and ACTIVE M&A with an advisory mission for the acquisition of this target. After some negotiation difficulties, but with the benefit of convincing arguments about the quality of the French buyer and their need to retain the team, the vendors concluded an exclusive agreement with INFRANEO in December 2020; the operation was completed in April 2021, since authentication of documents (by a notary) is a fairly long process in Germany...

## A NASDAQ SPAC DEAL IN THE HYDROGEN SECTOR

### The momentum of SPACs (Special Purpose Acquisition Companies) appears to be growing

A SPAC is a type of legal "blank check company" without operational activities or corporate assets, which raises capital through an IPO in order to acquire private companies through an operation known as a reverse merger. By means of a reverse merger, companies acquired by SPACs become in turn listed companies without recourse to an IPO, thereby avoiding the exigencies and delays inherent to the procedure. The concept goes back to the 1980s, but in recent years SPACs have achieved meteoric success with a true explosion in the number of IPOs in 2020 (approximately +300%).

### YUNHONG INTERNATIONAL (SPAC) merges with GIGA ENERGY Inc. (formerly ARES MOTOR WORKS)

ARC Group Limited, the representative in China of the M&A WORLDWIDE international network, supported GIGA ENERGY Inc in a reverse merger operation with the Yunhong International SPAC listed on the New York stock exchange (NASDAQ: ZGYH).

Based in China, GIGA ENERGY Inc is a supplier of hydrogen-based fuel cells and batteries for large fleets of commercial vehicles.

The potential value of the deal being \$7.354 billion, GIGA ENERGY Inc had already secured an equity investment of nearly \$308 million from Harvest Tech Investment Management (UK) Co. Ltd.

The infographic features the M&A Worldwide logo at the top, with 'CHINA' and '05/2021' on either side. Below is the GCN logo, followed by the text 'Clean Energy (E-mobility)'. The ARC Group (China) is listed as the 'Sell-Side Advisor'. The Yunhong International logo is shown with 'SPAC' underneath. The bottom of the graphic is a red bar with the text 'REVERSE MERGER'.

## CROSS-BORDER DEALS:

**SALES:** Cemm Thome to Amphenol (USA) — Agis-Di Pasto to Ter Beke (Belgium) — France Hybrides to Hendrix Genetics (NL) — Coriance to A2A (Italy) — La Celliose to CIN (Portugal) — Axys to Meta4 (Spain) — Econocom CH to Lease-It (Germany) — Tisys to Ultra Electronics (UK) — Elysees West to Hotusa Hotels (Spain) — Filec to Amphenol (USA) — Eboutich to Maus (Switzerland) — Genetel to Anite (UK) — Packinox to Alfa Laval (Sweden) — Climpack-Metnext to Weathernews (Japan) — SVD to Exertis (Ireland) — Camping&Co to Rocket Internet (Germany) — SecludIT to Outpost24 (Sweden) — Editiel (Mauritius) to GL Events — Adonis Environnement (Madagascar) to Veolia Africa — L'Officiel Du Déménagement to Movinga (Germany) — Stoll Trucks (Luxembourg) to Turenne Capital and Euro Capital — Alco to CTA (Italy)...

**ACQUISITIONS:** Ibrams (Germany) and Brand Project (Sweden) by Wedia — PC Garant (Germany), Citymain (UK), Cap Protection (Belgium) and Insurance2Go (UK) by SPB — Frölich u. Walter (Germany) by CUC — Pratiks (Germany) by Pratique — Paul Budde Communication (Australia) by Ubiquick — Insurance2Go (UK) by SPB — Martin GmbH (Germany) by Infraneo...

## LINKERS OPEN INTERNATIONAL IN DEAUVILLE: 25-28 JUNE 2021

After a hiatus in 2020 due to the Covid Pandemic, which prevented crewed races from taking place, pleasure and competition are back in the limelight from 25 to 28 June 2021 with a new edition of **LINKERS OPEN INTERNATIONAL DE DEAUVILLE**.



The Deauville Yacht Club will mark the occasion by opening its new club house: a lively ambience is guaranteed!

## LEADERS LEAGUE TROPHIES: 2 MORE IN 2020!

For the last 3 years LINKERS has taken part in the **Sommet des Leaders de la Finance**, having received the Banque d'affaires / Meilleure dynamique de croissance (Investment Bank / Best Growth Dynamic) and Conseil en fusions Acquisitions/Secteur TMT (Mergers & Acquisitions Consultancy / TMT sector) trophies in 2017 and 2019 respectively.



For 2020, Philippe Delecourt (photo opposite) was seen award for LINKERS two new Trophies in the Category Investment and corporate banking: "Special Mention / ESG Strategy ", and " Sector Energy, Infrastructure, Transport ".



## WELCOME ABOARD: GUILLAUME ANSELIN, NEW LINKERS PARTNER

The whole LINKERS crew is delighted to welcome a new partner, **Guillaume Anselin**, 44, whose professional background is of particular interest and complements the wide-ranging experience of our senior professionals. Guillaume started in sell-side financial analysis with Fortis Securities and Aurel BGC, and was then in charge of IPO with Avenir Finance Securities before moving to M&A. Also an entrepreneur, he co-founded two M&A and Financing consultancies, Canny Cap in 2009 and Soreval in 2012, prior to joining Equideals as a partner, then LINKERS.

With more than 40 equity financing operations under his belt and over €50 million raised for his clients, Guillaume will certainly be busy at LINKERS as part of our 15-strong team of professionals, of whom 9 are partners, providing expert advice to entrepreneurs in a variety of sectors: IT, digital, software, computer service companies, industry, B to B services, and specialised distribution.



## LINKERS TEAM

